

Regular Session, 2010

HOUSE BILL NO. 1219

BY REPRESENTATIVE KLECKLEY

INSURANCE/HEALTH-ACCID: Provides relative to the licensure, financial solvency, and regulation of prepaid entities participating in the La. Medicaid Program

1 AN ACT

2 To enact R.S. 22:1016, relative to prepaid entities participating in the Louisiana Medicaid  
3 Program; to provide for licensure, financial solvency, and regulation of such prepaid  
4 entities; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1016 is hereby enacted to read as follows:

7 §1016. Regulation by the Department of Insurance and the Department of Health  
8 and Hospitals of prepaid entities participating in the Louisiana Medicaid  
9 Program

10 A. Notwithstanding any law to the contrary, any prepaid entity that  
11 participates in the Louisiana Medicaid Program is required to obtain an insurer  
12 license or certificate of authority from the Louisiana Department of Insurance. Such  
13 a prepaid entity participating in the Louisiana Medicaid Program shall be regulated  
14 by the Louisiana Department of Insurance with respect to licensure and financial  
15 solvency but shall, solely with respect to its products and services offered pursuant  
16 to the Louisiana Medicaid Program, be regulated by the Louisiana Department of  
17 Health and Hospitals, subject to 42 USCA §1396 et seq., and all applicable federal  
18 and state laws, rules, and regulations relating to the Louisiana Medicaid Program.  
19 The Louisiana Department of Health and Hospitals shall have the authority to adopt  
20 and promulgate such rules and regulations, including certification, relating to the

1        Louisiana Medicaid Program. Except for licensure and financial solvency  
2        requirements, no other provisions of this Title shall apply to a prepaid entity with  
3        respect to the participation of the prepaid entity in the Louisiana Medicaid Program.

4                B. As used in this Section, "prepaid entity" shall mean any organization paid  
5        on a per-person per-month basis for the provision of services to Medicaid eligible  
6        beneficiaries, when such organization has entered into a contract with the  
7        Department of Health and Hospitals assuming the financial obligation to pay for such  
8        services.

9        Section 2. This Act shall become effective upon signature by the governor or, if not  
10       signed by the governor, upon expiration of the time for bills to become law without signature  
11       by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
12       vetoed by the governor and subsequently approved by the legislature, this Act shall become  
13       effective on the day following such approval.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Kleckley

HB No. 1219

**Abstract:** Provides relative to the regulation of certain prepaid entities participating in the La. Medicaid Program by the Dept. of Insurance and the Dept. of Health and Hospitals.

Proposed law provides that, notwithstanding any law to the contrary, any prepaid entity that participates in the La. Medicaid Program is required to obtain an insurer license or certificate of authority from the La. Dept. of Insurance (DOI). Requires that such a prepaid entity be regulated by DOI with respect to licensure and financial solvency; however, solely with respect to its products and services offered pursuant to the La. Medicaid Program, such an entity shall be regulated by the La. Department of Health and Hospitals (DHH), subject to all applicable federal and state laws, rules, and regulations relating to the La. Medicaid Program. Authorizes DHH to adopt and promulgate such rules and regulations, including certification, relating to the La. Medicaid Program. Specifies that, except for licensure and financial solvency requirements, no other provisions of present law, the La. Insurance Code, shall apply to a prepaid entity with respect to its participation in the La. Medicaid Program. Defines "prepaid entity" as any organization paid on a per-person per-month basis for the provision of services to Medicaid eligible beneficiaries, when such organization has entered into a contract with DHH assuming the financial obligation to pay for such services.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 22:1016)